
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 1.4.2010

Wall Street Journal: "Fed Chief Edges Closer to Using Rates to Pop Bubbles ... Federal Reserve Chairman Ben Bernanke cracked the door open a bit more to the idea of raising interest rates if a new financial bubble emerges."

Wall Street Journal: "Deficit, Budget Woes Need Solutions as U.S. Nears the Precipice ... The Obama administration has a lot to wish for in 2010, including a new health-care system and a sustainable economic recovery."

Wall Street Journal: "Fed's Kohn Eyes Stimulus Unwind ... A top Federal Reserve official said Sunday the central bank will need to be ahead of the curve in withdrawing stimulus in a gradually improving economy, although he warned the nature of the economic crisis means officials do not have a good road map for the action they'll need to take."

Wall Street Journal: "The Biggest Losers ... Happy New Year, readers, but before we get on with the debates of 2010, there's still some ugly 2009 business to report: To wit, the Treasury's Christmas Eve taxpayer massacre lifting the \$400 billion cap on potential losses for Fannie Mae and Freddie Mac as well as the limits on what the failed companies can borrow."

Wall Street Journal: "Uncertainty and the Slow Recovery ... In terms of U.S. output contractions, the so-called Great Recession was not much more severe than the recessions in 1973-75 and 1981-82."

Washington Post: "Fed chief Bernanke urges better financial regulation to prevent crises ... Better regulation is the key to avoiding future financial excesses, Federal Reserve Chairman Ben S. Bernanke said Sunday, arguing that the Fed's low-interest-rate policies early in the decade were not a major cause of the housing bubble."

Washington Post: "Fannie and Freddie ... TUCKED AWAY in the year-end news was the revelation that regulators have approved pay packages of up to \$6 million each for the chief executives of Fannie Mae and Freddie Mac."

NY Times: "Lax Oversight Caused Crisis, Bernanke Says ... Regulatory failure, not low interest rates, was responsible for the housing bubble and subsequent financial crisis of the last decade, Ben S. Bernanke, the Federal Reserve chairman, said in a speech on Sunday."

USA Today: "Bernanke: Regulation can hold back market excesses ... Stronger regulation should be the first line of defense against excessive speculation that could send the economy into a new crisis, Federal Reserve Chairman Ben Bernanke said Sunday."

USA Today: "Treasury makes the last bailouts, \$29M to 10 banks ... The Treasury Department said Thursday it has pumped \$29.3 million into 10 banks, the last to receive investments as part of the taxpayer-funded program to shore up the financial system."

Washington Times: "Fed: Regulation first line of defense ... Stronger regulation should be the first line of defense against excessive speculation that could send the economy into a new crisis, Federal Reserve Chairman Ben S. Bernanke said Sunday."

Washington Times: "Banks borrow less from Fed crisis program ... Banks borrowed slightly less from the Federal Reserve's emergency lending program over the past week, a sign credit stresses are easing."